

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING						FORM 3 AMENDED REPORT				
APPLICATION FOR PERMIT TO DRILL						1. WELL NAME and NUMBER UTE 13-6A-4-1				
2. TYPE OF WORK DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/>						3. FIELD OR WILDCAT WILKIN RIDGE				
4. TYPE OF WELL Oil Well Coalbed Methane Well: NO						5. UNIT or COMMUNITIZATION AGREEMENT NAME				
6. NAME OF OPERATOR FINLEY RESOURCES INC						7. OPERATOR PHONE 817 231-8735				
8. ADDRESS OF OPERATOR PO Box 2200, Fort Worth, TX, 76113						9. OPERATOR E-MAIL awilkerson@finleyresources.com				
10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) 14-20-H62-4896			11. MINERAL OWNERSHIP FEDERAL <input type="checkbox"/> INDIAN <input checked="" type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>			12. SURFACE OWNERSHIP FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>				
13. NAME OF SURFACE OWNER (if box 12 = 'fee') Coleman, et al.						14. SURFACE OWNER PHONE (if box 12 = 'fee') 435-654-1666				
15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee') 148 West Center Street, Heber City, UT 84032						16. SURFACE OWNER E-MAIL (if box 12 = 'fee')				
17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')			18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS YES <input type="checkbox"/> (Submit Commingling Application) NO <input checked="" type="checkbox"/>			19. SLANT VERTICAL <input checked="" type="checkbox"/> DIRECTIONAL <input type="checkbox"/> HORIZONTAL <input type="checkbox"/>				
20. LOCATION OF WELL	FOOTAGES		QTR-QTR	SECTION	TOWNSHIP	RANGE	MERIDIAN			
LOCATION AT SURFACE	1650 FNL 2310 FWL		SEnw	13	4.0 S	1.0 E	U			
Top of Uppermost Producing Zone	1650 FNL 2310 FWL		SEnw	13	4.0 S	1.0 E	U			
At Total Depth	1650 FNL 2310 FWL		SEnw	13	4.0 S	1.0 E	U			
21. COUNTY UINTAH			22. DISTANCE TO NEAREST LEASE LINE (Feet) 1650			23. NUMBER OF ACRES IN DRILLING UNIT 40				
			25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 1190			26. PROPOSED DEPTH MD: 8500 TVD: 8500				
27. ELEVATION - GROUND LEVEL 5123			28. BOND NUMBER RLB 0011294			29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE 43-8496				
Hole, Casing, and Cement Information										
String	Hole Size	Casing Size	Length	Weight	Grade & Thread	Max Mud Wt.	Cement	Sacks	Yield	Weight
COND	17.5	13.375	0 - 60	48.0	H-40 ST&C	0.0	Class G	41	1.17	15.8
SURF	12.25	8.625	0 - 358	32.0	J-55 ST&C	8.6	Premium Lite High Strength	47	3.53	11.0
							Class G	111	1.17	15.8
PROD	7.875	5.5	0 - 8500	15.5	J-55 LT&C	9.5	50/50 Poz	961	1.24	13.2
ATTACHMENTS										
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES										
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER					<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN					
<input checked="" type="checkbox"/> AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)					<input type="checkbox"/> FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER					
<input type="checkbox"/> DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)					<input checked="" type="checkbox"/> TOPOGRAPHICAL MAP					
NAME Don Hamilton				TITLE Agent			PHONE 435 719-2018			
SIGNATURE				DATE 05/04/2012			EMAIL starpoint@etv.net			
API NUMBER ASSIGNED 43047526410000				APPROVAL Permit Manager						

Finley Resources, Inc.
UTE 13-6A-4-1
1650' FNL & 2310' FWL SE/4 NW/4, Sec 13, T4S, R1E, U.S.B.&M.
Uintah County, UT

Drilling Program

1. Formation Tops

Surface	5,123'
Green River	2,403'
Black Shale	6,358'
Uteland Butte	6,838'
Wasatch	7,313'
TD	8,500'

2. Depth to Oil, Gas, Water, or Minerals

Black Shale	6,358' - 6,838'	(Oil)
Uteland Butte	6,838' - TD	(Oil)

Fresh water may be encountered in the Duchesne Formation, but is not expected below about 300'.

3. Pressure Control

Section BOP Description

Surface 12-1/4" diverter

Interm/Prod The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc for a 5M system.

A 5M BOP system will consist of 2 ram preventers (double or two singles) and an annular preventer (see attached diagram). A choke manifold rated to at least 5,000 psi will be used.

4. Casing

Description	Interval		Weight (ppf)	Grade	Coupl	Pore Press @ Shoe	MW @ Shoe	Frac Grad @ Shoe	Safety Factors		
	Top	Bottom							Burst	Collapse	Tension
Conductor 13 3/8	0'	60'	48	H-40	STC	--	--	--	1,730	770	322,000
									--	--	--
Surface 8 5/8	0'	358'	32	J-55	STC	8.33	8.6	11	3,930	2,530	417,000
									21.57	21.27	36.40
Production 5 1/2	0'	8,500'	15.5	J-55	LTC	9	9.5	11	4,810	4,040	217,000
									1.54	1.21	1.65

Assumptions:

Surface casing MASP = (frac gradient + 1.0 ppg) - (gas gradient)

Intermediate casing MASP = (reservoir pressure) - (gas gradient)

Production casing MASP = (reservoir pressure) - (gas gradient)

All collapse calculations assume fully evacuated casing with a gas gradient

All tension calculations assume air weight of casing

Gas gradient = 0.1 psi/ft

All casing shall be new.

All casing strings shall have a minimum of 1 centralizer on each of the bottom 3 joints.

5. Cement

Job	Hole Size	Fill	Slurry Description	ft ³	OH excess	Weight (ppg)	Yield (ft ³ /sk)
				sacks			
Conductor	17 1/2	60'	Class G w/ 2% KCl + 0.25 lbs/sk Cello Flake	48	15%	15.8	1.17
				41			
Surface Lead	12 1/4	200'	Premium Lite II w/ 3% KCl + 10% bentonite	165	100%	11.0	3.53
				47			
Surface Tail	12 1/4	158'	Class G w/ 2% KCl + 0.25 lbs/sk Cello Flake	130	100%	15.8	1.17
				111			
Production Tail	7 7/8	5,500'	50/50 Poz/Class G w/ 3% KCl + 2% bentonite	1191	25%	13.2	1.24
				961			

The surface casing will be cemented to surface. In the event that cement does not reach surface during the primary cement job, a remedial job will be performed.

Actual cement volumes for the production casing string will be calculated from an open hole caliper log, plus 25% excess.

6. Type and Characteristics of Proposed Circulating Medium

<u>Interval</u>	<u>Description</u>
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Surface - 358'	An air and/or fresh water system will be utilized.
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358' - TD	<p>A water based mud system will be utilized. Hole stability may be improved with additions of KCl or a similar inhibitive substance. In order to control formation pressure the system will be weighted with additions of bentonite, and if conditions warrant, with barite.</p> <p>Anticipated maximum mud weight is 9.5 ppg.</p>
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7. Logging, Coring, and Testing

Logging: A dual induction, gamma ray, and caliper log will be run from TD to the base of the surface casing. A compensated neutron/formation density log will be run from TD to the top of the Garden Gulch formation. A cement bond log will be run from PBTB to the cement top behind the production casing.

Cores: As deemed necessary.

DST: There are no DST's planned for this well.

8. Anticipated Abnormal Pressure or Temperature

Maximum anticipated bottomhole pressure will be approximately equal to total depth (feet) multiplied by a 0.47 psi/ft gradient.

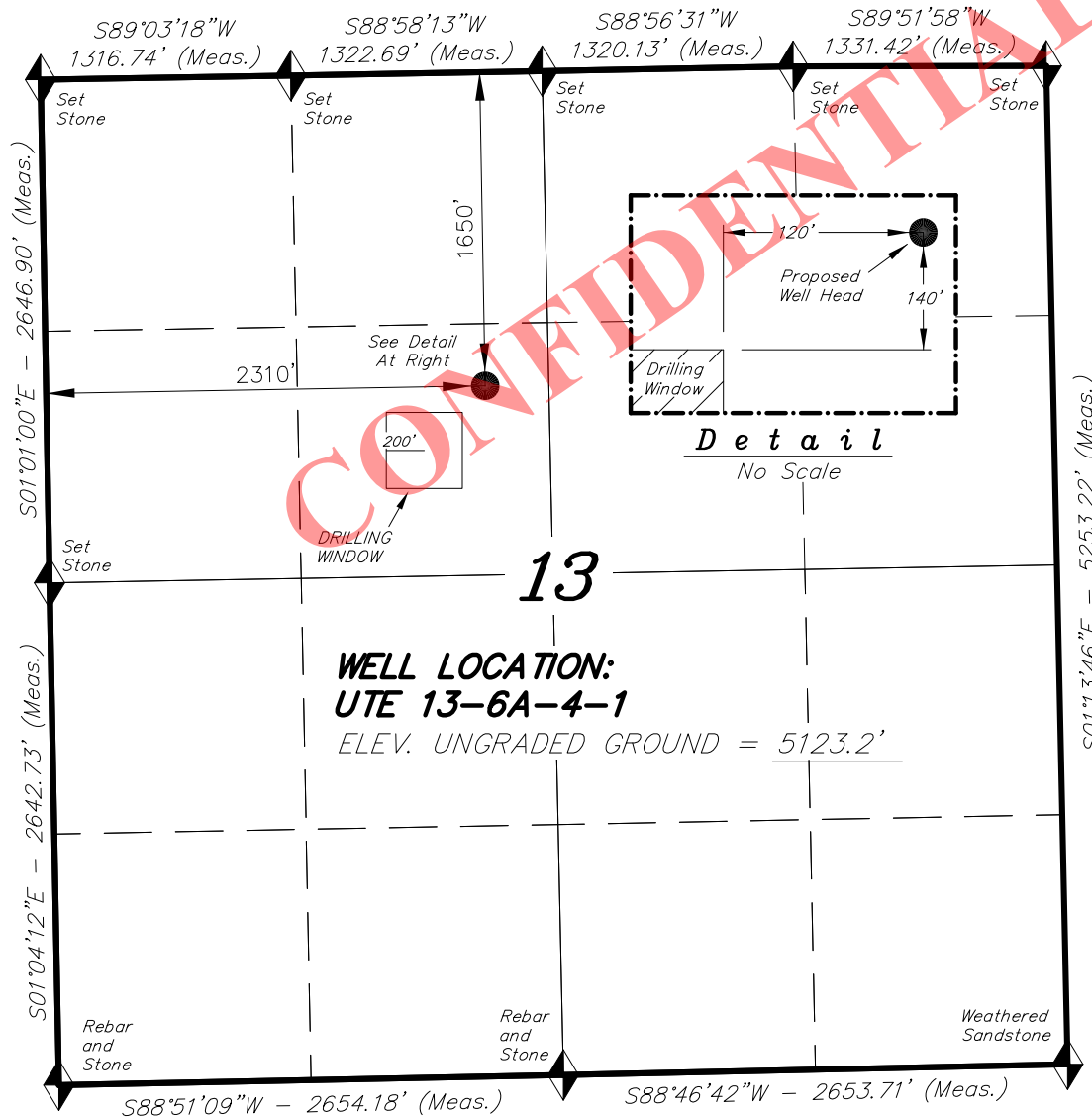
$$8,500' \times 0.47 \text{ psi/ft} = 3978 \text{ psi}$$

No abnormal temperature is expected. No H₂S is expected.

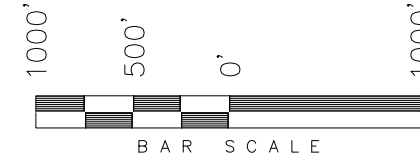
9. Other Aspects

This is planned as a vertical well.

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T4S, R1E, U.S.B.&M.**FINLEY RESOURCES INC.**

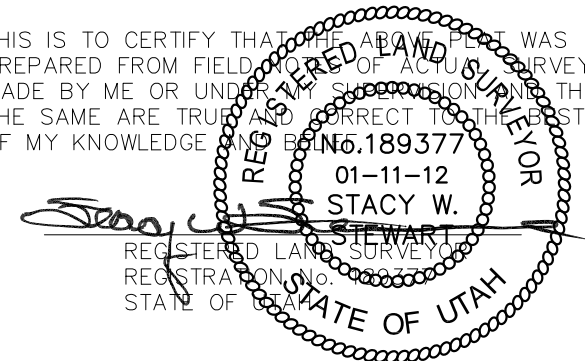
WELL LOCATION, UTE 13-6A-4-1,
LOCATED AS SHOWN IN THE SE 1/4
NW 1/4 OF SECTION 13, T4S, R1E,
U.S.B.&M. UINTAH COUNTY, UTAH.

**NOTES:**

1. Well footages are measured at right angles to the Section Lines.
2. Bearings are based on Global Positioning Satellite observations.



THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS
PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS
MADE BY ME OR UNDER MY SUPERVISION AND THAT
THE SAME ARE TRUE AND CORRECT TO THE BEST
OF MY KNOWLEDGE AND BELIEF.



◆ = SECTION CORNERS LOCATED

BASIS OF ELEV; Elevations are based on
an N.G.S. OPUS Correction. LOCATION:
LAT. 40°04'09.56" LONG. 110°00'43.28"
(Tristate Aluminum Cap) Elev. 5281.57'

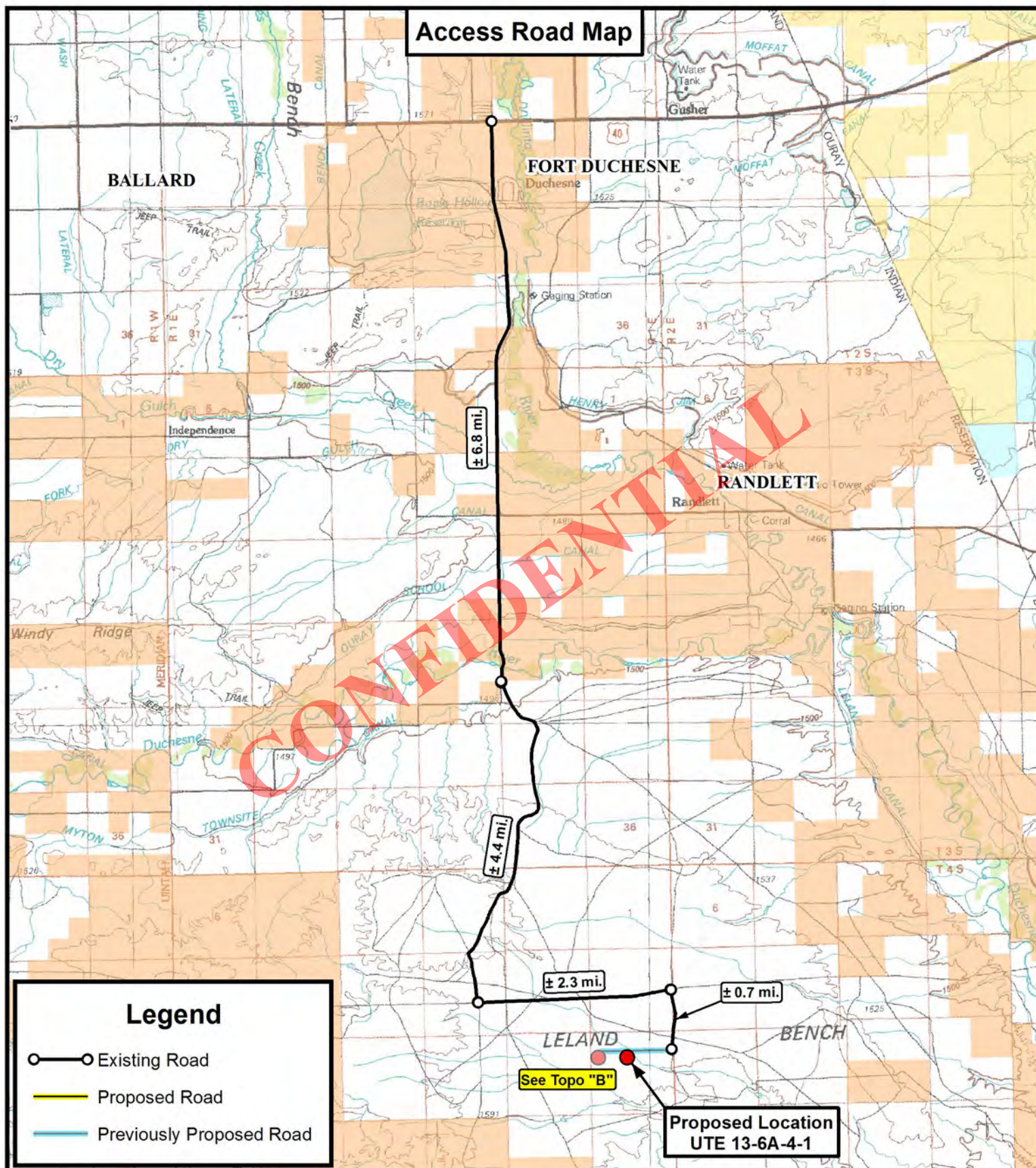
UTE 13-6A-4-1
(Surface Location) NAD 83
LATITUDE = 40° 08' 16.36"
LONGITUDE = 109° 49' 55.70"

TRI STATE LAND SURVEYING & CONSULTING

180 NORTH VERNAL AVE. - VERNAL, UTAH 84078
(435) 781-2501

DATE SURVEYED: 11-21-11	SURVEYED BY: C.D.S.
DATE DRAWN: 01-05-11	DRAWN BY: F.T.M.
REVISED:	SCALE: 1" = 1000'

RECEIVED: May 04, 2012



**Tri State
Land Surveying, Inc.**

180 NORTH VERNAL AVE. VERNAL, UTAH 84078

P: (435) 781-2501
F: (435) 781-2518



FINLEY RESOURCES INC.

UTE 13-6A-4-1
SEC. 13, T4S, R1E, U.S.B.&M.
Uintah County, UT.

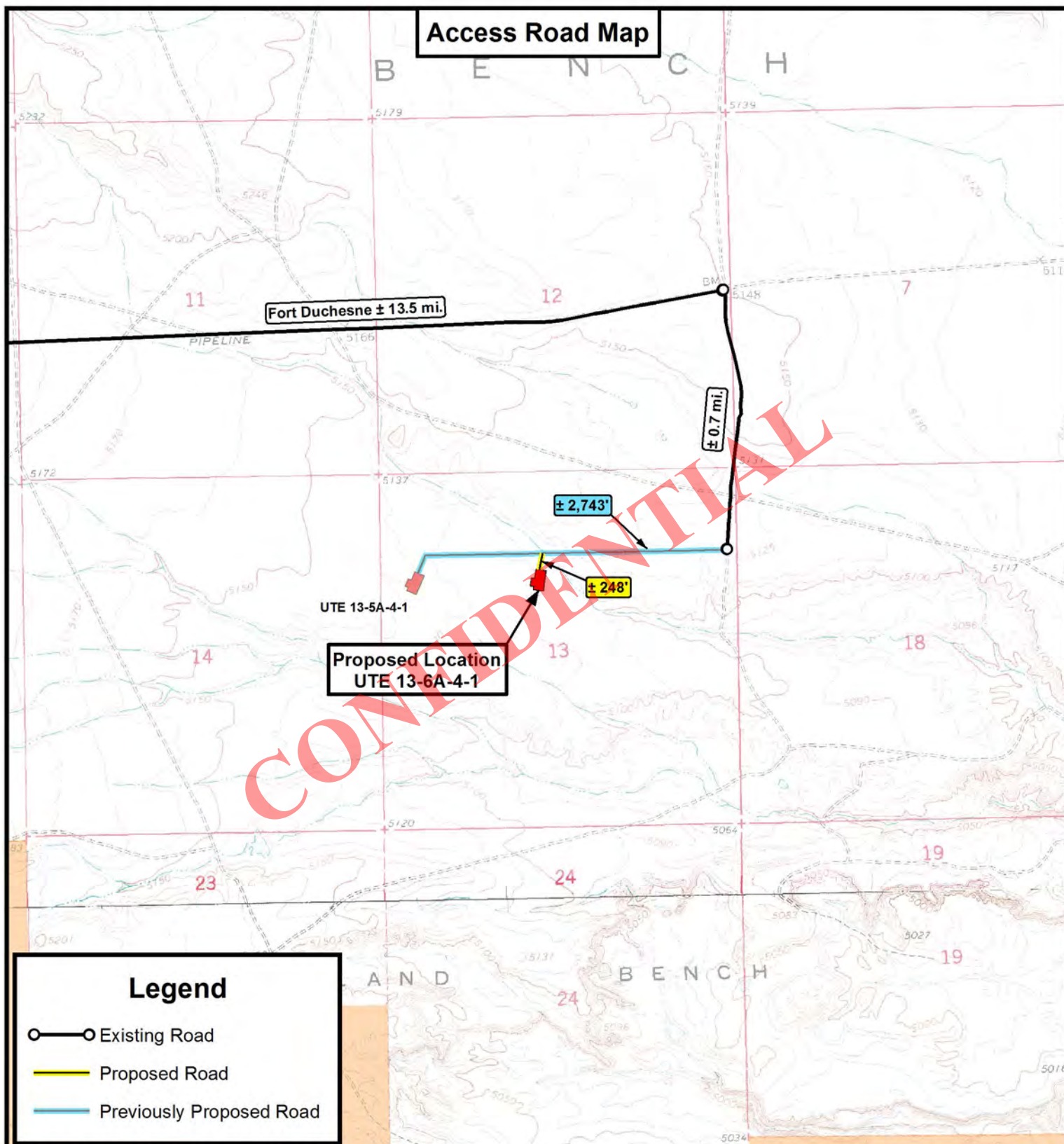
DRAWN BY:	D.C.R.	REVISED:
DATE:	01-07-2012	
SCALE:	1:100,000	

TOPOGRAPHIC MAP

SHEET

A

Access Road Map



Legend

- Existing Road
- Proposed Road
- Previously Proposed Road

THE PARCEL INFORMATION SHOWN HAS NOT BEEN SURVEYED BY TRI-STATE LAND SURVEYING, INC. - TRI-STATE DOES NOT WARRANTY PROPERTY PARCEL DATA OR ANY ASSOCIATED INFORMATION. A PROPERTY SURVEY IS REQUIRED TO DETERMINE THE ACTUAL LOCATION OF PROPERTY LINES AND SHOW ACCURATE DISTANCES ACROSS PARCELS.



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Uintah County, UT.

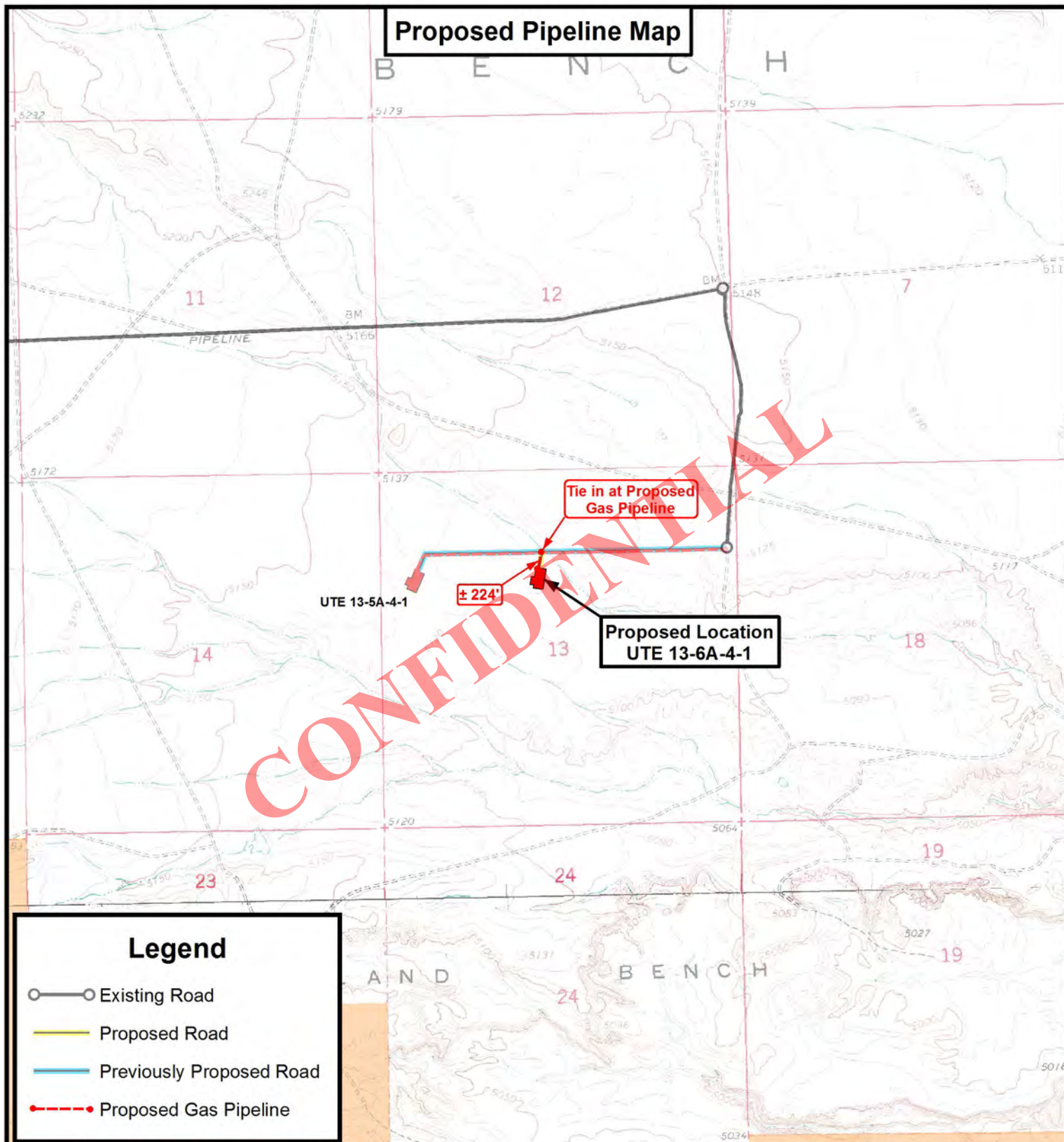
DRAWN BY:	D.C.R.	REVISED:
DATE:	01-07-2012	
SCALE:	1" = 2,000'	

TOPOGRAPHIC MAP

SHEET

B

Proposed Pipeline Map



Legend

- Existing Road
- Proposed Road
- Previously Proposed Road
- Proposed Gas Pipeline

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FINLEY RESOURCES INC.

UTE 13-6A-4-1
SEC. 13, T4S, R1E, U.S.B.&M.
Uintah County, UT.

DRAWN BY:	D.C.R.	REVISED:
DATE:	01-07-2012	
SCALE:	1" = 2,000'	

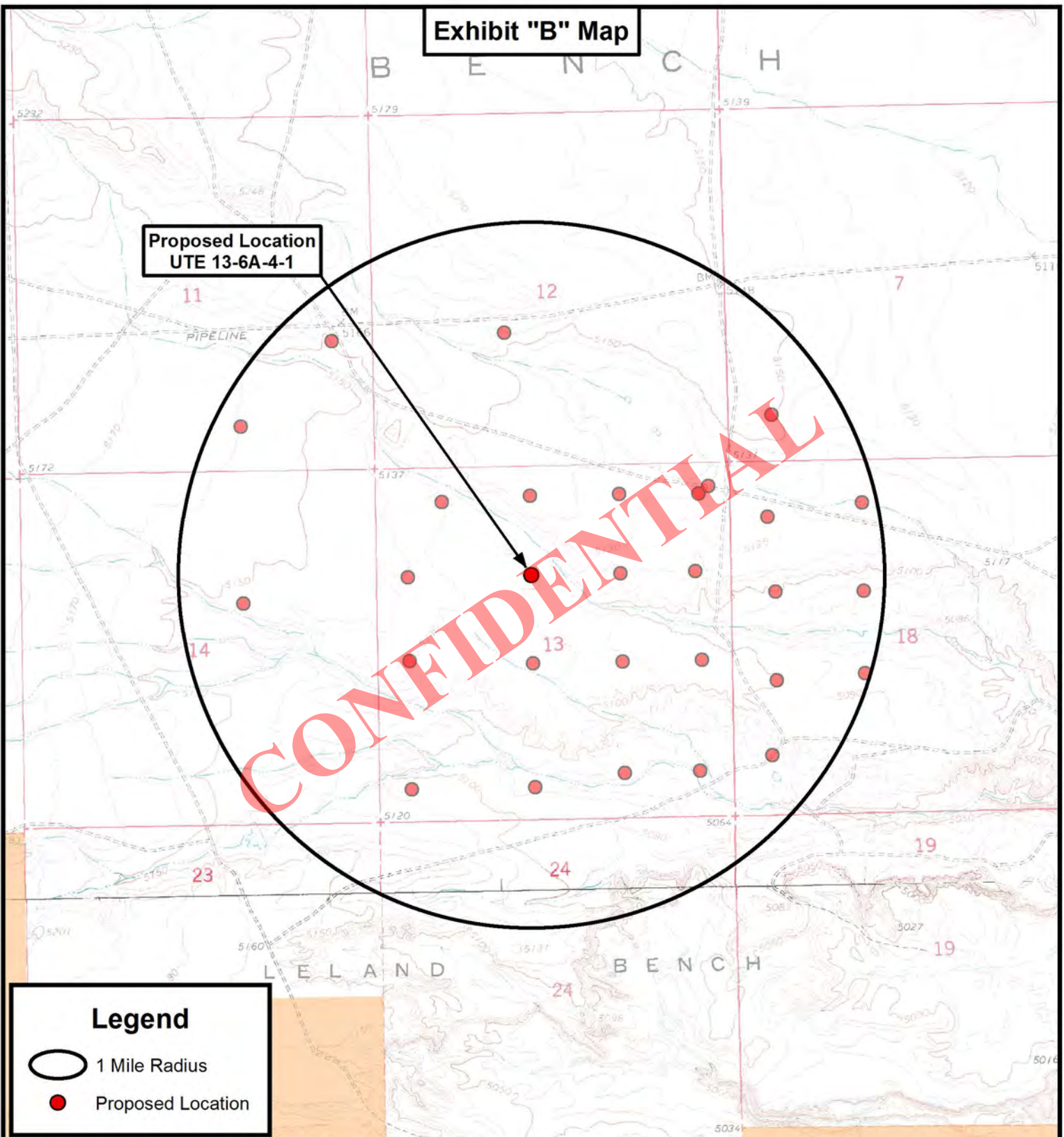
TOPOGRAPHIC MAP

SHEET

C

Exhibit "B" Map

Proposed Location
UTE 13-6A-4-1

**Legend**

1 Mile Radius



Proposed Location

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**FINLEY RESOURCES INC.**

UTE 13-6A-4-1
SEC. 13, T4S, R1E, U.S.B.&M.
Uintah County, UT.

DRAWN BY:	D.C.R.	REVISED:
DATE:	01-07-2012	
SCALE:	1" = 2,000'	

TOPOGRAPHIC MAP

SHEET

D

MEMORANDUM OF SURFACE USE AGREEMENT
AND GRANT OF EASEMENTS

WHEREAS, Salradus, L.L.C., Bonnie Coleman managing member, whose address is 148 West Center Street, Heber City, UT 84032, Coleman Mountain Holdings, L.L.C., Mary Jo Coleman Adamson managing member, whose address is P.O. Box 610, Roosevelt, UT 84066, Joseph N. Coleman, Trustee of the Coleman Family Trust, dated June 7, 1991, whose address is 393 East Center, Heber City, UT 84032, and Leila Coleman, Trustee of the Coleman Family Trust dated June 28, 1991, whose address is 950 South 400 East #112, St. George, UT 84770 (hereinafter collectively referred to as "Coleman"), and Uintah Resources, Inc. whose address is 3165 E. Millrock Drive, Suite 550, Salt Lake City, UT 84121 ("Optionee") (Coleman and Optionee are hereinafter collectively referred to as "Owner") and Finley Resources, Inc., whose address is P.O. Box 2200, Fort Worth, Texas, 76113 ("Operator"), have entered into that certain Easement, Right-of-Way and Surface Use Agreement, hereinafter the "SUA", dated effective April 24th, 2012 covering the following lands owned by Owner in Uintah County, Utah, to wit:

Township 4 South, Range 1 East, U.S.M.

Section 13: All

Section 16: All

Section 23: N/2

hereinafter the "Lands"

WHEREAS, in the SUA Owner grants and conveys unto Operator a non-exclusive right to enter upon and use the Lands and Owner's adjacent lands for certain oil and gas related purposes, together with a right-of-way across the Lands to maintain and construct access roads, well sites, holding tanks and other such related facilities necessary for Operator's oil and gas operations.

This Memorandum of Surface and Damage Agreement shall serve as notice of the agreement covering the Lands and that the SUA is binding upon Owner and Operator's respective successors and/or assigns.

The terms and provisions of the unrecorded SUA are referred to and incorporated herein, and made a part hereof to the same extent as though set out verbatim. Should any conflict arise between the terms of this Memorandum of Surface Use Agreement and Grant of Easements and the SUA, the terms of the SUA shall control.

Executed this 24th day of April, 2012.

OWNER:

Salradus LLC Bonnie S. Coleman

Salradus, L.L.C.

Bonnie S. Coleman, managing member

148 West Center Street

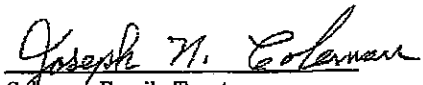
Heber City, UT 84032

Coleman Mountain Holdings, L.L.C.

Mary Jo Coleman Adamson, Managing Member

P.O. Box 610

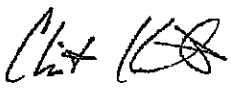
Roosevelt, UT 84066


Coleman Family Trust
Joseph N. Coleman, Trustee
393 East Center
Heber City, UT 84032

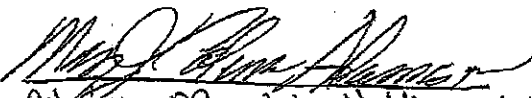
The Coleman Family Trust
Leila Coleman, Trustee
950 South 400 East #112
St. George, UT 84770

Uintah Resources, Inc.
By: Todd Dana
Its: President

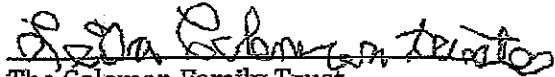
OPERATOR:



Finley Resources Inc.
By: Clinton Koerth
Its: Vice President

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Coleman Mountain Holdings, L.L.C.
Mary So Coleman, managing member.
610 N. Mesa Circle, PO Box 610
Roosevelt, UT 84066


Coleman Family Trust
Joseph N. Coleman, Trustee
393 East Center
Heber City, UT 84032


The Coleman Family Trust
Leila Coleman, Trustee
950 South 400 East #112
St. George, UT 84770


Uintah Resources, Inc.
By: ~~Todd Dana~~ Vincent J. Memmott
Its: President

OPERATOR:

Finley Resources Inc.
By: Clinton Koerth
Its: Vice President



Coleman Mountain Holdings, L.L.C.
Mary Jo Coleman Adamson, Managing Member
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Roosevelt, UT 84066

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Joseph N. Coleman, Trustee
393 East Center
Heber City, UT 84032



The Coleman Family Trust
Leila Coleman, Trustee
950 South 400 East #112
St. George, UT 84770

Uintah Resources, Inc.
By: Todd Dana
Its: President

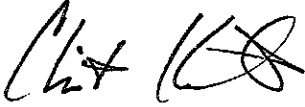
OPERATOR:

Finley Resources Inc.
By: Clinton Koerth
Its: Vice President

API Well Completion 3047526410000
Weila Coleman, Trustee
950 South 400 East #112
St. George, UT 84770

Uintah Resources, Inc.
By: Todd Dana
Its: President

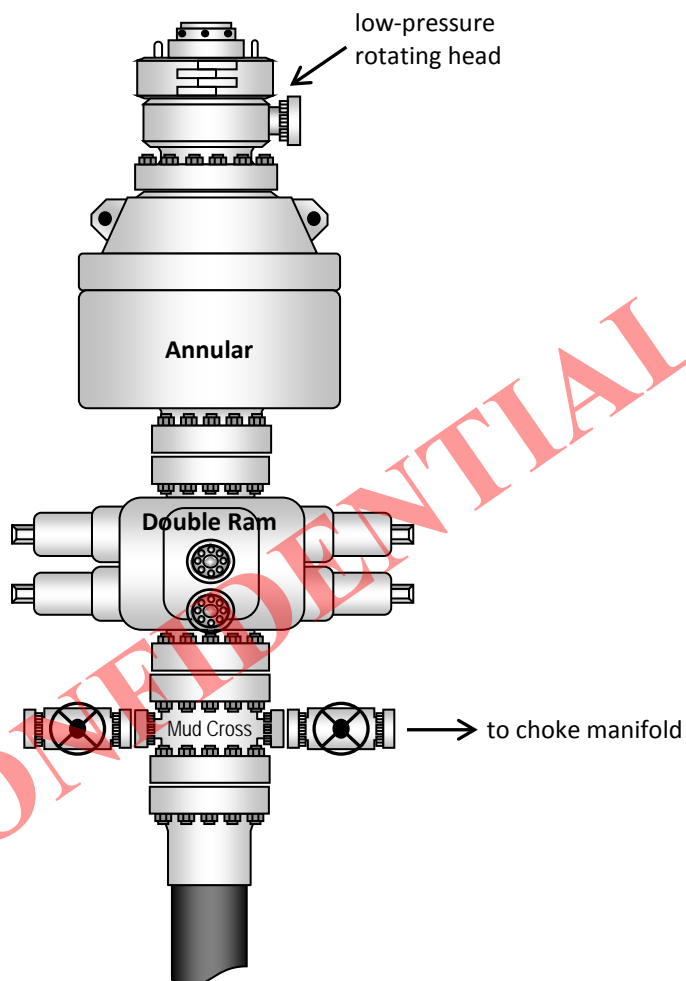
OPERATOR:

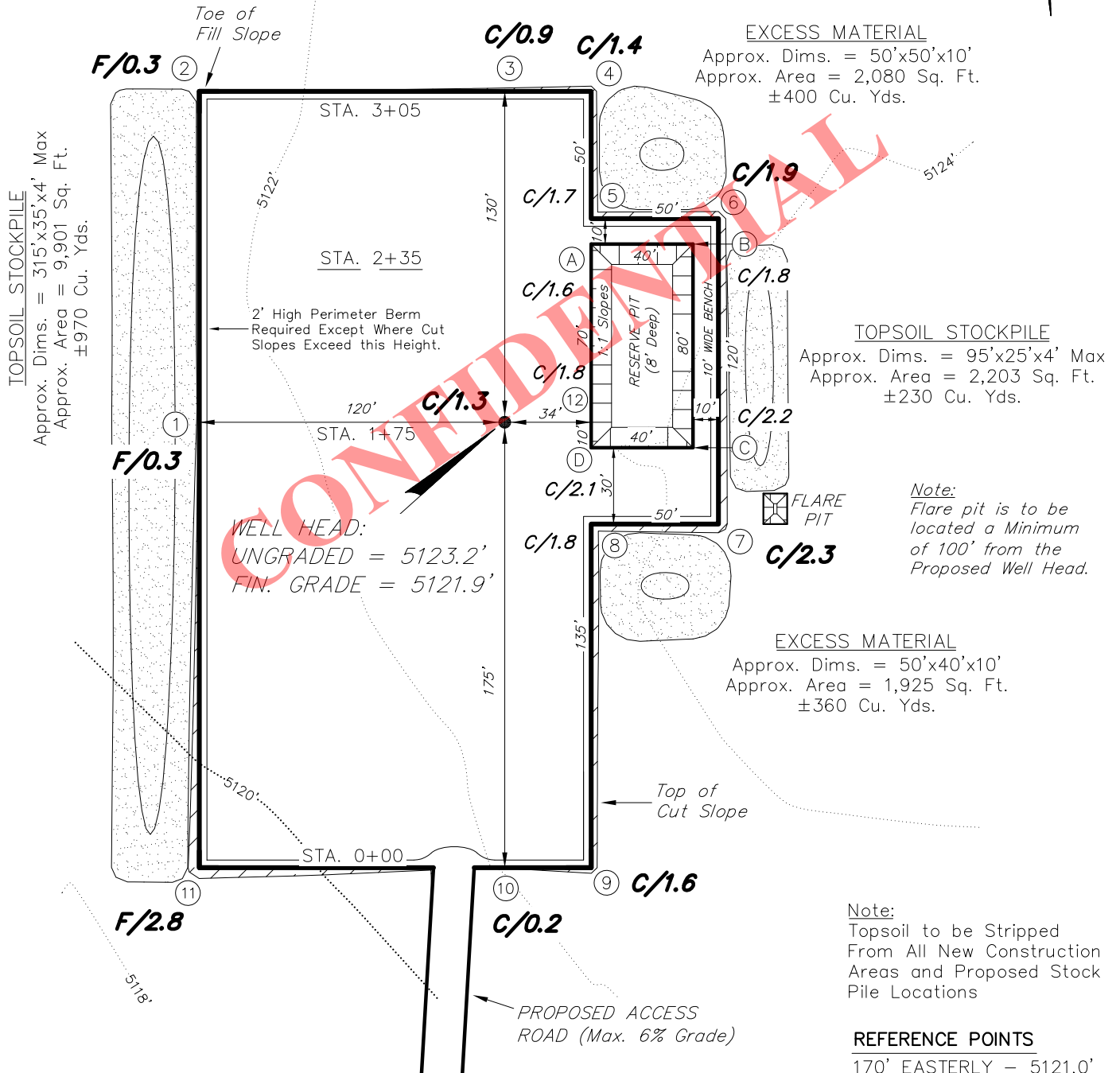
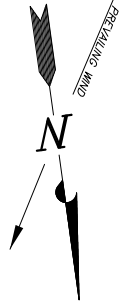


Finley Resources Inc.
By: Clinton Koerth
Its: Vice President

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Typical 5M BOP stack configuration



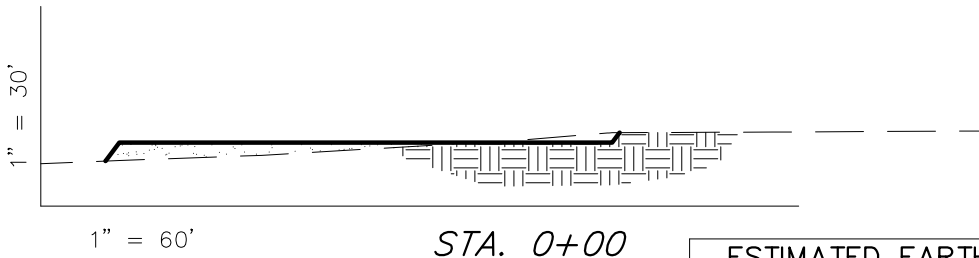
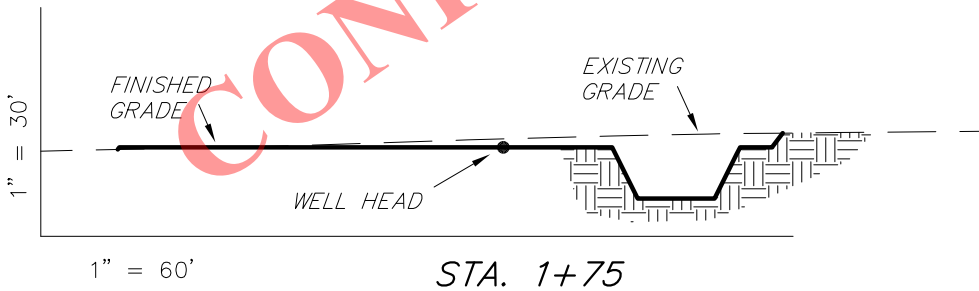
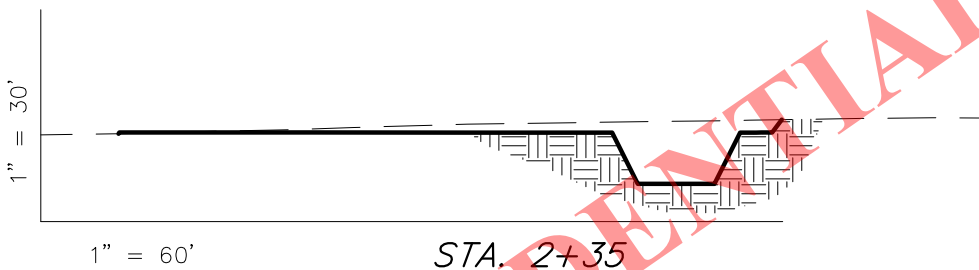
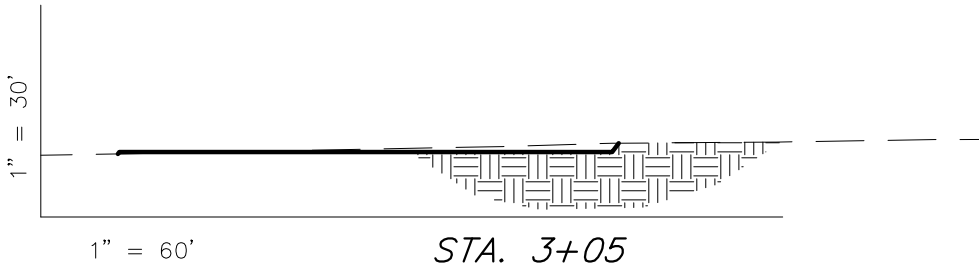
FINLEY RESOURCES INC.**PROPOSED LOCATION LAYOUT****UTE 13-6A-4-1***Pad Location: SENW Section 13, T4S, R1E, U.S.B.&M.***NOTE:**

The topsoil & excess material areas are calculated as being mounds containing 1,960 cubic yards of dirt (a 10% fluff factor is included). The mound areas are calculated with push slopes of 1.5:1 & fall slopes of 1.5:1.

SURVEYED BY:	C.D.S.	DATE SURVEYED:	11-21-11
DRAWN BY:	F.T.M..	DATE DRAWN:	01-05-12
SCALE:	1" = 60'	REVISED:	

Tri State
Land Surveying, Inc.
(435) 781-2501
180 NORTH VERNAL AVE. VERNAL, UTAH 84078

RECEIVED: May 04, 2012

FINLEY RESOURCES INC.**CROSS SECTIONS****UTE 13-6A-4-1***Pad Location: SENW Section 13, T4S, R1E, U.S.B.&M.*

NOTE:
UNLESS OTHERWISE
NOTED ALL CUT/FILL
SLOPES ARE AT 1.5:1

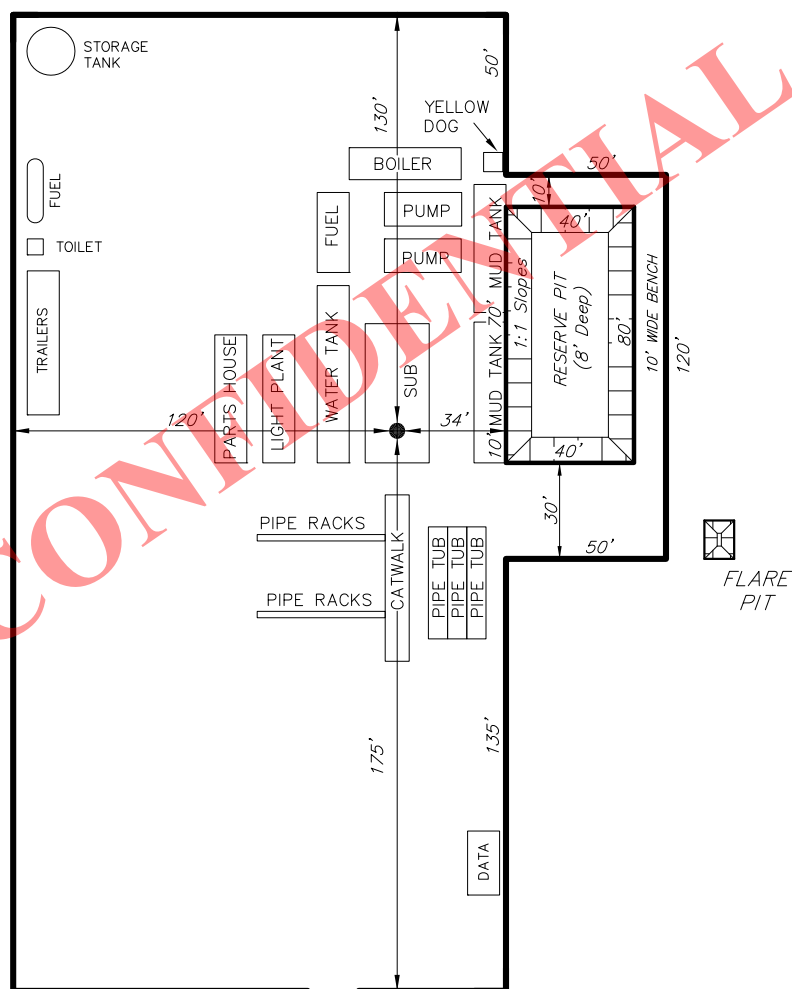
ESTIMATED EARTHWORK QUANTITIES
(No Shrink or swell adjustments have been used)
(Expressed in Cubic Yards)

ITEM	CUT	FILL	6" TOPSOIL	EXCESS
PAD	830	830	Topsoil is not included in Pad Cut Volume	0
PIT	690	0		690
TOTALS	1,520	830	1,090	690

SURVEYED BY:	C.D.S.	DATE SURVEYED:	11-21-11
DRAWN BY:	F.T.M..	DATE DRAWN:	01-05-12
SCALE:	1" = 60'	REVISED:	

Tri State
Land Surveying, Inc.
180 NORTH VERNAL AVE. VERNAL, UTAH 84078
(435) 781-2501

RECEIVED: May 04, 2012

FINLEY RESOURCES INC.**TYPICAL RIG LAYOUT****UTE 13-6A-4-1***Pad Location: SENW Section 13, T4S, R1E, U.S.B.&M.*

FLARE
PIT

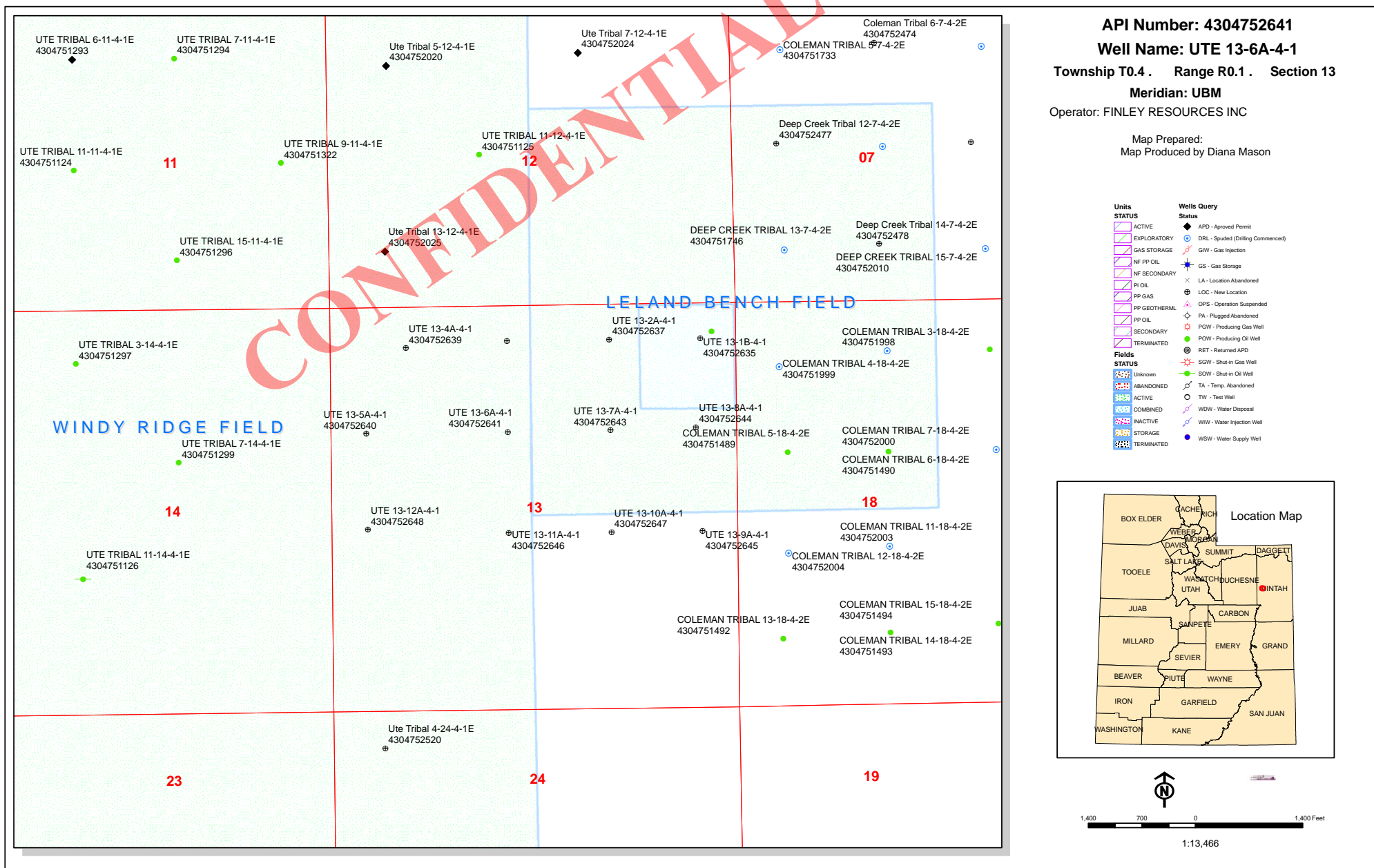
Note:
Flare pit is to be
located a Minimum
of 100' from the
Proposed Well Head.

PROPOSED ACCESS
ROAD (Max. 6% Grade)

SURVEYED BY:	C.D.S.	DATE SURVEYED:	11-21-11
DRAWN BY:	F.T.M..	DATE DRAWN:	01-05-12
SCALE:	1" = 60'	REVISED:	

Tri State
Land Surveying, Inc.
(435) 781-2501
180 NORTH VERNAL AVE. VERNAL, UTAH 84078

RECEIVED: May 04, 2012





2580 Creekview Road
Moab, Utah 84532
435/719-2018

May 11, 2012

Mrs. Diana Mason
State of Utah
Division of Oil Gas and Mining
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RE: Request for Exception to Spacing – Finley Resources, Inc. – **Ute 13-6A-4-1**
1,650' FNL & 2,310' FWL, SE/4 NW/4, Section 13, T4S, R1E, USB&M
Uintah County, Utah

Dear Diana:

Finley Resources, Inc. respectfully submits this request for exception to spacing (R649-3-2) based on topography since the well is located less than 460 feet to the drilling unit boundary. Finley Resources, Inc. is the only owner and operator within 460 feet of the surface and target location as well as all points along the intended well bore path and are not within 460 feet of any uncommitted tracts or a unit boundary.

Thank you very much for your timely consideration of this application. Please feel free to contact Matthew Cooper of Finley Resources, Inc. at 817-231-8738 or myself should you have any questions or need additional information.

Sincerely,

A handwritten signature in blue ink that reads "Don Hamilton".

Don Hamilton
Agent for Finley Resources, Inc.

cc: Matthew Cooper, Finley Resources, Inc.

RECEIVED: May 11, 2012

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator FINLEY RESOURCES INC
Well Name UTE 13-6A-4-1
API Number 43047526410000 **APD No** 5852 **Field/Unit** WILKIN RIDGE
Location: 1/4,1/4 SENW **Sec** 13 **Tw** 4.0S **Rng** 1.0E 1650 FNL 2310 FWL
GPS Coord (UTM) 599487 4443717 **Surface Owner** Coleman, et al.

Participants

Ted Smith (DOGM), Clay O'Neil, (Finley), Bill Civish (BLM), Don Hamilton (Star Point Enterprises), Mary Jo, Scott.Cody, Bert Coleman, and David Adamson (Coleman Brothers),Dayton Slaugh (Tri-State Survey)

Regional/Local Setting & Topography

The general area is on Leland Bench, which is located about 13 miles south of Fort Duchesne, Uintah County, Utah. Broad flats with low growing desert shrub type vegetation characterize the area. A few rolling hills and slopes leading to higher flats occur. The Uinta formation dominates the surface. Soils are dominated by deep sandy clay loams with erosion pavement common on slopes. No springs, seeps or flowing streams are known to occur in the area. The Duchesne River is approximately 4 miles to the northeast and is the nearest source of flowing water. All lands in the immediate area are privately owned. Solid blocks or scattered Ute Tribal lands surround the area.

Access to the proposed well site is by State of Utah or Uintah County roads and existing or proposed oilfield development roads. Distance from Randlett, Utah is approximately 7 miles. Approximately 248 feet of new road will be constructed to reach this location using 1 low water crossing to reach the pad.

The proposed pad for the Ute 13-6A-4-1 oil well is laid out in a south to north direction. Maximum cut is 2.3 feet at Location Corner 7. The location is within the normal drilling window and appears to be a good site for constructing a pad, drilling and operating a well.

Coleman Brothers LLC. own the surface. Mary Jo, Scott, Cody, and Bert Coleman represented the Colman Brothers and had no problems with the site.

Surface Use Plan

Current Surface Use

Grazing
Wildlfe Habitat

New Road Miles	Well Pad	Src Const Material	Surface Formation
0.04	Width 150 Length 300	Onsite	ALLU

Ancillary Facilities N

Waste Management Plan Adequate?

Environmental Parameters

Affected Floodplains and/or Wetlands N

Flora / Fauna

Overall vegetation at this site is fair. The vegetation on Leland Bench is a desert shrub/forb type. Similar species are common throughout the area. Principal species are shadscale, bud sage, winter fat, horsebrush, broom snakeweed, Indian ricegrass, needle and thread grass, curly mesquite grass, scarlet globe mallow, matt and Gardiner saltbrush, hordeum jubatum and annual mustards. A few occurrences of cheat grass, rabbit brush, buckwheat, Mormon tea and other species occur but are not common. Impacts from past and current grazing do not exist.

Because of the lack of water and cover the area is not rich in fauna. Species include antelope, coyotes and small mammals and rodents. Some shrub dependent birds may occur but were not observed. Historically, but not currently, sheep and wild horses grazed the area. Light winter cattle grazing currently exist.

Soil Type and Characteristics

Soils are a moderately deep sandy loam

Erosion Issues N

Sedimentation Issues N

Site Stability Issues N

Drainage Diversion Required? N

Berm Required? N

Erosion Sedimentation Control Required? N

Paleo Survey Run? Y **Paleo Potential Observed?** N **Cultural Survey Run?** Y **Cultural Resources?** N

Reserve Pit**Site-Specific Factors****Site Ranking**

Distance to Groundwater (feet)	100 to 200	5
Distance to Surface Water (feet)	>1000	0
Dist. Nearest Municipal Well (ft)	>5280	0
Distance to Other Wells (feet)	>1320	0
Native Soil Type	Mod permeability	10
Fluid Type	Fresh Water	5
Drill Cuttings	Normal Rock	0
Annual Precipitation (inches)		0
Affected Populations		
Presence Nearby Utility Conduits	Unknown	10
Final Score		30

3 Sensitivity Level

Characteristics / Requirements

Reserve pit 40' x 80' x 8' is planned in a cut on the northeast corner of the location. A liner with a minimum thickness of 16-mils is required. A sub-liner may not be needed because of the lack of rock in the area. Flare pit will be constructed 10' x 20' x 5'

Closed Loop Mud Required? N Liner Required? Y Liner Thickness 16 Pit Underlayment Required? N

Other Observations / Comments

Coleman Brothers LLC. own the surface. Mary Jo, Scott, Cody, Bert Coleman attended the presite. A signed surface use agreement has been completed. The Colman Brothers and had no problems with the site.

Ted Smith
Evaluator

6/6/2012
Date / Time

CONFIDENTIAL

Application for Permit to Drill

Statement of Basis

Utah Division of Oil, Gas and Mining

APD No	API WellNo	Status	Well Type	Surf Owner	CBM
5852	43047526410000	LOCKED	OW	P	No
Operator	FINLEY RESOURCES INC		Surface Owner-APD	Coleman, et al.	
Well Name	UTE 13-6A-4-1		Unit		
Field	WILKIN RIDGE		Type of Work	DRILL	
Location	SENW 13 4S 1E U 1650 FNL (UTM) 599487E 4443714N		2310 FWL	GPS Coord	

Geologic Statement of Basis

The mineral rights for the proposed well are owned by the Ute Tribe. The BLM will be the agency responsible for evaluating and approving the drilling, casing and cement programs.

Brad Hill
APD Evaluator

6/20/2012
Date / Time

Surface Statement of Basis

The general area is on Leland Bench, which is located about 13 miles south of Fort Duchesne, Uintah County, Utah. Broad flats with low growing desert shrub type vegetation characterize the area. A few rolling hills and slopes leading to higher flats occur. The Uinta formation dominates the surface. Soils are dominated by deep sandy clay loams with erosion pavement common on slopes. No springs, seeps or flowing streams are known to occur in the area. The Duchesne River is approximately 4 miles to the east and is the nearest source of flowing water. All lands in the immediate area are privately owned. Solid blocks or scattered Ute Tribal lands surround the area.

Access to the proposed well site is by State of Utah or Uintah County roads and existing or proposed oilfield development roads. Distance from Randlett, Utah is approximately 7 miles. Approximately 248 feet of new road will be constructed to reach this location using 1 low water crossing to reach the pad.

The proposed pad for the Ute 13-6A-4-1 oil well is laid out in a north to south direction across a flat with a slight slope to the southeast. Maximum cut is 2.3 feet at Location Corner 7. The location is within the normal drilling window and appears to be a good site for constructing a pad, drilling and operating a well.

Coleman Brothers LLC. own the surface. Mary Jo, Scott, Docy, Bert Coleman attended the presite. A signed surface use agreement has been completed. The Colman Brothers and had no problems with the site.

The minerals are owned by the United States Government and held in trust for the Ute Indian Tribe.

Uintah County has recently passed a new ordinance to regulate extraction industries. This ordinance requires a conditional use permit for all oil or gas wells in areas not zoned as industrial. Ute Energy is required to obtain a permit for this and other wells on Leland Bench.

RECEIVED: July 02, 2012

Ted Smith
Onsite Evaluator

6/6/2012
Date / Time

Conditions of Approval / Application for Permit to Drill

Category	Condition
Pits	A synthetic liner with a minimum thickness of 16 mils shall be properly installed and maintained in the reserve pit.
Surface	The reserve pit shall be fenced upon completion of drilling operations.

CONFIDENTIAL

WORKSHEET APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 5/4/2012

API NO. ASSIGNED: 43047526410000

WELL NAME: UTE 13-6A-4-1

OPERATOR: FINLEY RESOURCES INC (N3460)

PHONE NUMBER: 435 719-2018

CONTACT: Don Hamilton

PROPOSED LOCATION: SENW 13 040S 010E

Permit Tech Review: ☒

SURFACE: 1650 FNL 2310 FWL

Engineering Review: ☐

BOTTOM: 1650 FNL 2310 FWL

Geology Review: ☒

COUNTY: UINTAH

LATITUDE: 40.13788

LONGITUDE: -109.83216

UTM SURF EASTINGS: 599487.00

NORTHINGS: 4443714.00

FIELD NAME: WILKIN RIDGE

LEASE TYPE: 2 - Indian

LEASE NUMBER: 14-20-H62-4896

PROPOSED PRODUCING FORMATION(S): WASATCH

SURFACE OWNER: 4 - Fee

COALBED METHANE: NO

RECEIVED AND/OR REVIEWED:

- ☒ PLAT
- ☒ Bond: INDIAN - RLB 0011294
- ☐ Potash
- ☐ Oil Shale 190-5
- ☐ Oil Shale 190-3
- ☐ Oil Shale 190-13
- ☒ Water Permit: 43-8496
- ☐ RDCC Review:
- ☒ Fee Surface Agreement
- ☐ Intent to Commingle

Commingle Approved

LOCATION AND SITING:

- ☐ R649-2-3.
- Unit:
- ☐ R649-3-2. General
- ☒ R649-3-3. Exception
- ☒ Drilling Unit
- Board Cause No: R649-3-3
- Effective Date:
- Siting:
- ☐ R649-3-11. Directional Drill

Comments: Presite Completed

Stipulations: 1 - Exception Location - dmason
4 - Federal Approval - dmason
5 - Statement of Basis - bhll
23 - Spacing - dmason

RECEIVED: July 02, 2012



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Permit To Drill

Well Name: UTE 13-6A-4-1
API Well Number: 43047526410000
Lease Number: 14-20-H62-4896
Surface Owner: FEE (PRIVATE)
Approval Date: 7/2/2012

Issued to:

FINLEY RESOURCES INC , PO Box 2200, Fort Worth, TX 76113

Authority:

Pursuant to Utah Code Ann. 40-6-1 et seq., and Utah Administrative Code R649-3-1 et seq., the Utah Division of Oil, Gas and Mining issues conditions of approval, and permit to drill the listed well. This permit is issued in accordance with the requirements of R649-3-3. The expected producing formation or pool is the WASATCH Formation(s), completion into any other zones will require filing a Sundry Notice (Form 9). Completion and commingling of more than one pool will require approval in accordance with R649-3-22.

Duration:

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date

Exception Location:

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

General:

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

Conditions of Approval:

State approval of this well does not supercede the required federal approval, which must be obtained prior to drilling.

This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being

drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis (copy attached).

Notification Requirements:

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- Within 24 hours following the spudding of the well - contact Carol Daniels at 801-538-5284
(please leave a voicemail message if not available)
OR
submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website
at <http://oilgas.ogm.utah.gov>

Reporting Requirements:

All reports, forms and submittals as required by the Utah Oil and Gas Conservation General Rules will be promptly filed with the Division of Oil, Gas and Mining, including but not limited to:

- Entity Action Form (Form 6) - due within 5 days of spudding the well
- Monthly Status Report (Form 9) - due by 5th day of the following calendar month
- Requests to Change Plans (Form 9) - due prior to implementation
- Written Notice of Emergency Changes (Form 9) - due within 5 days
- Notice of Operations Suspension or Resumption (Form 9) - due prior to implementation
- Report of Water Encountered (Form 7) - due within 30 days after completion
- Well Completion Report (Form 8) - due within 30 days after completion or plugging

Approved By:

A handwritten signature in black ink, appearing to read "John Rogers", written over a horizontal line.

For John Rogers
Associate Director, Oil & Gas

RECEIVED

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

JUL 12 2012

FORM APPROVED
OMB No. 1004-0136
Expires July 31, 2010

APPLICATION FOR PERMIT TO DRILL OR REENTER

BLM

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		CONFIDENTIAL		5. Lease Serial No. 1420H624896
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		2. Name of Operator FINLEY RESOURCES, INC.		6. If Indian, Allottee or Tribe Name
3a. Address P.O. BOX 2200 FT. WORTH, TX 76113		Contact: DON S HAMILTON E-Mail: starpoint@etv.net		7. If Unit or CA Agreement, Name and No.
3b. Phone No. (include area code) Ph: 435-719-2018 Fx: 435-719-2019		9. API Well No. 43-047-58641		8. Lease Name and Well No. UTE 13-6A-4-1
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SENW 1650FNL 2310FWL 40.137878 N Lat, 109.832139 W Lon At proposed prod. zone SENW 1650FNL 2310FWL 40.137878 N Lat, 109.832139 W Lon		10. Field and Pool, or Exploratory N/A		11. Sec., T., R., M., or Blk. and Survey or Area Sec 13 T4S R1E Mer UBM
14. Distance in miles and direction from nearest town or post office* 14.8 MILES SOUTH OF FT DUCHESNE, UTAH		12. County or Parish UINTAH		13. State UT
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1650		16. No. of Acres in Lease 640.00		17. Spacing Unit dedicated to this well 40.00
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 0		19. Proposed Depth 8500 MD 8500 TVD		20. BLM/BIA Bond No. on file RLB0011294
21. Elevations (Show whether DF, KB, RT, GL, etc.) 5123 GL		22. Approximate date work will start 08/15/2012		23. Estimated duration 60 DAYS

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature (Electronic Submission)	Name (Printed/Typed) DON S HAMILTON Ph: 435-719-2018	Date 07/07/2012
Title PERMITTING AGENT		
Approved by (Signature) 	Name (Printed/Typed) Jerry Kenczka	Date NOV 06 2012
Title Assistant Field Manager Lands & Mineral Resources	Office VERNAL FIELD OFFICE	

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached. **CONDITIONS OF APPROVAL ATTACHED**

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Additional Operator Remarks (see next page)

Electronic Submission #142332 verified by the BLM Well Information System
For FINLEY RESOURCES, INC., sent to the Vernal
Committed to AFMSS for processing by LESLIE ROBINSON on 07/19/2012

NOTICE OF APPROVAL

NOV 09 2012

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

12LBR0459AE

NO NOS-

DIV. OF OIL, GAS & MINING



UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE

170 South 500 East

VERNAL, UT 84078

(435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company: Finley Resources, Inc.
Well No: Ute 13-6A-4-1
API No: 43-047-52641

Location: SENW, Sec. 13, T4S, R1E
Lease No: 14-20-H62-4896
Agreement: N/A

OFFICE NUMBER: (435) 781-4400

OFFICE FAX NUMBER: (435) 781-3420

**A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR
FIELD REPRESENTATIVE TO INSURE COMPLIANCE**

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.**

NOTIFICATION REQUIREMENTS

Construction Activity (Notify Ute Tribe Energy & Minerals Dept. and BLM Environmental Scientist)	- The Ute Tribe Energy & Minerals Dept. and BLM Environmental Scientist shall be notified at least 48 hours in advance of any construction activity. The Ute Tribal office is open Monday through Thursday.
Construction Completion (Notify Ute Tribe Energy & Minerals Dept. and BLM Environmental Scientist)	- Upon completion of the pertinent APD/ROW construction, notify the Ute Tribe Energy & Minerals Dept. for a Tribal Technician to verify the Affidavit of Completion. Notify the BLM Environmental Scientist prior to moving on the drilling rig.
Spud Notice (Notify BLM Petroleum Engineer)	- Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify BLM Supv. Petroleum Tech.)	- Twenty-Four (24) hours prior to running casing and cementing all casing strings to: blm_ut_vn_opreport@blm.gov .
BOP & Related Equipment Tests (Notify BLM Supv. Petroleum Tech.)	- Twenty-Four (24) hours prior to initiating pressure tests.
First Production Notice (Notify BLM Petroleum Engineer)	- Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

**SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)**

CONDITIONS OF APPROVAL:

STIPULATIONS / CONDITIONS OF APPROVAL

Company/Operator: Finley Resources Inc.

Well Name & Numbers: Ute 13-2A-4-1, 13-3A-4-1, 13-4A-4-1, 13-5A-4-1, 13-6A-4-1, 13-7A-4-1, 13-8A-4-1, 13-9A-4-1, 13-10A-4-1, 13-11A-4-1, 13-12A-4-1, 13-13A-4-1, 13-14A-4-1, 13-15A-4-1, 13-16A-4-1, 16-1A-4-1, 16-2A-4-1, 16-3A-4-1, 16-6A-4-1, 16-7A-4-1, 16-8A-4-1, 16-9A-4-1, 16-10A-4-1, 16-11A-4-1, 16-13A-4-1, 16-14A-4-1 and 16-15A-4-1

Surface Ownership: Coleman Family Trust (Mary Jo Coleman)

Lease Number: 1420H624896 and 1420H624899

Location: Sections 13 and 16, T4S R1E

CONDITIONS OF APPROVAL:

- Any deviation of submitted APD's, which includes BBCs surface use plan, and ROW applications the operator will notify the BLM in writing and will receive written authorization of any such change with appropriate authorization.
- The operator will implement "Safety and Emergency Plan." The operator's safety director will ensure its compliance.
- All operator employees and/or authorized personnel (sub-contractors) in the field will have approved applicable APD's, COAs, and ROW permits/authorizations on their person(s) during all phases of construction.
- All vehicular traffic, personnel movement, construction/restoration operations shall be confined to the area examined and approved, and to the existing roadways and/or evaluated access routes.
- All personnel will refrain from collecting artifacts, any paleontological fossils, and from disturbing any significant cultural resources in the area.
- The personnel from the BLM shall be notified should cultural remains from subsurface deposits be exposed or identified during construction. All construction will cease until resources can be identified and protected properly.
- Production facilities will be painted Juniper Green to blend in with the surrounding habitat, unless otherwise stated from the private land owner agreement.
- Site reclamation will be accomplished for portions of the well pad not needed for production, within 6 months of completion, weather permitting. This also includes any roads, and pipeline areas that have been disturbed as well. Roads and pipeline disturbances can undergo reclamation immediately after the pipeline is installed and after the roads are built. Please

contact surface owner or the BLM AO for possible seed mixes to use in the project area. Non-natives can be used; however lbs/ac must be kept low to minimize the chance of a monoculture.

- If the pump head is located in the river channel where larval fish are known to occur, the following measures apply:
 - a. do not situate the pump in a low-flow or no-flow area as these habitats tend to concentrate larval fishes;
 - b. limit the amount of pumping, to the greatest extent possible, during that period of the year when larval fish may be present (April 1 to August 31); and
 - c. limit the amount of pumping, to the greatest extent possible, during the pre-dawn hours as larval drift studies indicate that this is a period of greatest daily activity.
- Screen all pump intakes with 3/32 inch mesh material.
- Approach velocities for intake structures will follow the National Marine Fisheries Service's document "Fish Screening Criteria for Anadromous Salmonids". For projects with an in-stream intake that operate in stream reaches where larval fish may be present, the approach velocity will not exceed 0.33 feet per second (ft/s).
- Report any fish impinged on the intake screen to the Service (801.975.3330) and the Utah Division of Wildlife Resources:
 - Northeastern Region
 - 318 North Vernal Ave, Vernal, UT 84078
 - Phone: (435) 781-9453

Finley can only use one of the following water sources listed in Finley's APD.

**DOWNHOLE PROGRAM
CONDITIONS OF APPROVAL (COAs)**

SITE SPECIFIC DOWNHOLE COAs:

- Gamma Ray Log shall be run from Total Depth to Surface.
- Surface casing cement will be circulated to surface.

Variance Requests

- All variances, as requested in the APD, are approved

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- All requirements listed in Onshore Order #2 III. E. Special Drilling Operations are applicable for air drilling of surface hole.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- **Cement baskets shall not be run on surface casing.**

- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.
- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- **Please submit an electronic copy of all other logs run on this well in LAS format to BLM_UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.
- For information regarding production reporting, contact the Office of Natural Resources Revenue (ONRR) at www.ONRR.gov.
- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
 - Operator name, address, and telephone number.
 - Well name and number.
 - Well location (¼¼, Sec., Twn, Rng, and P.M.).
 - Date well was placed in a producing status (date of first production for which royalty will be paid).
 - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
 - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - Unit agreement and/or participating area name and number, if applicable.
 - Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if

performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9			
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: 14-20-H62-4896			
1. TYPE OF WELL Oil Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:			
2. NAME OF OPERATOR: FINLEY RESOURCES INC		7. UNIT or CA AGREEMENT NAME:			
3. ADDRESS OF OPERATOR: PO Box 2200 , Fort Worth, TX, 76113		8. WELL NAME and NUMBER: UTE 13-6A-4-1			
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1650 FNL 2310 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SENW Section: 13 Township: 04.0S Range: 01.0E Meridian: U		9. API NUMBER: 43047526410000			
PHONE NUMBER: 817 231-8735 Ext		9. FIELD and POOL or WILDCAT: WINDY RIDGE			
COUNTY: UINTAH		STATE: UTAH			
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA					
TYPE OF SUBMISSION	TYPE OF ACTION				
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 11/15/2012 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<table style="width: 100%; border: none;"> <tr> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ACIDIZE <input checked="" type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/> </td> </tr> </table>		<input type="checkbox"/> ACIDIZE <input checked="" type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>
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12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Finley Resources Inc. respectfully submits this Sundry Notice requesting to change and extend the surface casing for this well. An updated Drilling Program reflecting these requested changes is attached.					
Accepted by the Utah Division of Oil, Gas and Mining Date: November 15, 2012 By: <u>Don Hamilton</u>					
NAME (PLEASE PRINT) Don Hamilton		PHONE NUMBER 435 719-2018			
SIGNATURE N/A		TITLE Agent			
DATE 11/9/2012					

Finley Resources, Inc.
UTE 13-6A-4-1
1650' FNL & 2310' FWL SE/4 NW/4, Sec 13, T4S, R1E, U.S.B.&M.
Uintah County, UT

Drilling Program

1. Formation Tops

Surface	5,123'
Green River	2,403'
Black Shale	6,358'
Uteland Butte	6,838'
Wasatch	7,313'
TD	8,500'

2. Depth to Oil, Gas, Water, or Minerals

Black Shale	6,358' - 6,838'	(Oil)
Uteland Butte	6,838' - TD	(Oil)

Fresh water may be encountered in the Duchesne Formation, but is not expected below about 300'.

3. Pressure Control

Section BOP Description

Surface 12-1/4" diverter

Interm/Prod The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc for a 5M system.

A 5M BOP system will consist of 2 ram preventers (double or two singles) and an annular preventer (see attached diagram). A choke manifold rated to at least 5,000 psi will be used.

4. Casing

Description	Interval		Weight (ppf)	Grade	Coupl	Pore Press @ Shoe	MW @ Shoe	Frac Grad @ Shoe	Safety Factors		
	Top	Bottom							Burst	Collapse	Tension
Conductor 13 3/8	0'	60'	48	H-40	STC	--	--	--	1,730	770	322,000
									--	--	--
Surface 8 5/8	0'	500'	24	J-55	STC	8.33	8.6	11	2,950	1,370	244,000
									11.59	8.25	20.33
Production 5 1/2	0'	8,500'	15.5	J-55	LTC	9	9.5	11	4,810	4,040	217,000
									1.54	1.21	1.65

Assumptions:

Surface casing MASP = (frac gradient + 1.0 ppg) - (gas gradient)

Intermediate casing MASP = (reservoir pressure) - (gas gradient)

Production casing MASP = (reservoir pressure) - (gas gradient)

All collapse calculations assume fully evacuated casing with a gas gradient

All tension calculations assume air weight of casing

Gas gradient = 0.1 psi/ft

All casing shall be new. Top Joint of surface casing will be J-55 STC 32 ppf casing.

All casing strings shall have a minimum of 1 centralizer on each of the bottom 3 joints.

5. Cement

Job	Hole Size	Fill	Slurry Description	ft ³	OH excess	Weight (ppg)	Yield (ft ³ /sk)
				sacks			
Conductor	17 1/2	60'	Class G w/ 2% KCl + 0.25 lbs/sk Cello Flake	48	15%	15.8	1.17
				41			
Surface Lead	12 1/4	500'	Class G w/ 2% KCl + 0.25 lbs/sk Flocele	413	100%	15.8	1.15
				359			
Production Tail	7 7/8	5,500'	50/50 Poz/Class G w/ 3% KCl + 2% bentonite	1191	25%	13.2	1.24
				961			

The surface casing will be cemented to surface. In the event that cement does not reach surface during the primary cement job, a remedial job will be performed.

Actual cement volumes for the production casing string will be calculated from an open hole caliper log, plus 25% excess.

6. Type and Characteristics of Proposed Circulating Medium

<u>Interval</u>	<u>Description</u>
Surface - 500'	An air and/or fresh water system will be utilized.
500' - TD	A water based mud system will be utilized. Hole stability may be improved with additions of KCl or a similar inhibitive substance. In order to control formation pressure the system will be weighted with additions of bentonite, and if conditions warrant, with barite. Anticipated maximum mud weight is 9.5 ppg.

7. Logging, Coring, and Testing

Logging: A dual induction, gamma ray, and caliper log will be run from TD to the base of the surface casing. A compensated neutron/formation density log will be run from TD to the top of the Garden Gulch formation. A cement bond log will be run from PBTD to the cement top behind the production casing.

Cores: As deemed necessary.

DST: There are no DST's planned for this well.

8. Anticipated Abnormal Pressure or Temperature

Maximum anticipated bottomhole pressure will be approximately equal to total depth (feet) multiplied by a 0.47 psi/ft gradient.

$$8,500' \times 0.47 \text{ psi/ft} = 3978 \text{ psi}$$

No abnormal temperature is expected. No H₂S is expected.

9. Other Aspects

This is planned as a vertical well.

Variance Request for FIT Requirements:

Finley Resources, Inc. respectfully requests a variance to Onshore Order 2, Section III, Part Bi, for the Pressure integrity test (PIT, also known as a formation integrity test (FIT)). This well is not an exploratory well and is being drilled in an area where the formation integrity is well known. Additionally, when an FIT is run with the mud weight as required, the casing shoe frequently breaks down and causes subsequent lost circulation when drilling the entire depth of the well.

Variance Request for Air Drilling Requirements:

Finley Resources, Inc. respectfully requests a variance to Onshore Order #2, III.E.1

- Dust suppression equipment. Variance granted for water mist system to substitute for the dust suppression equipment.
- Blooie line discharge 100' from the well bore. Variance granted for blooie line discharge to be 75' from the well bore.
- Compressors located in the opposite direction from the blooie line a minimum of 100' from the wellbore. Variance granted for truck/trailer mounted air compressors.
- Straight run blooie line. Variance granted for targeted "T's" at bends.
- Automatic igniter. Variance granted for igniter due to water mist.
- Air drilling operations will be conducted only during drilling of the surface casing hole, there is no history of hydrocarbons being encountered in this hole section in the area where these wells are to be drilled.

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
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PHONE NUMBER: 817 231-8735 Ext		9. FIELD and POOL or WILDCAT: WINDY RIDGE
COUNTY: UINTAH		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start: <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input checked="" type="checkbox"/> DRILLING REPORT Report Date: 12/5/2012	<div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION </div> <div style="width: 33%;"> <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER </div> <div style="width: 33%;"> <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100%;" type="text"/> </div> </div>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. <div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> Conductor Spud: 11/08/2012 Surface Spud: 11/08/2012 Capstar Spud: 11/22/2012 </div> <div style="width: 35%; text-align: right;"> Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY December 05, 2012 </div> </div>		
NAME (PLEASE PRINT) April Wilkerson	PHONE NUMBER 817 231-8735	TITLE Reg & Enviro Analyst
SIGNATURE N/A	DATE 12/5/2012	

Form 3160-5
(August 2007)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS**
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.**SUBMIT IN TRIPLICATE – Other instructions on page 2.**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator
Finley Resources, Inc3a. Address
1308 Lake Street
Fort Worth TX 761023b. Phone No. (include area code)
817-231-87354. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1650 FNL, 2310 FWL, SEC 13-4S-1E

5. Lease Serial No.

6. If Indian, Allottee or Tribe Name

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No.
UTE 13-6A-4-19. API Well No.
43-047-5264110. Field and Pool or Exploratory Area
Windy Ridge11. Country or Parish, State
Utah

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other <u>Weekly Report</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

See attached.

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)
April Wilkerson

Title Regulatory Analyst

Signature



Date 11/26/12

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

Attachment for UTE 13-6A-4-1

Finley Resources has done the following:

On 11/8/12 - MIRU Martin rat hole rig. Bucket drill 24" hole to 40' after drilling and setting 5'ODx4' cellar ring. Ran 37' of 16" conductor and grout in. RDMO Pete Martin rig. On PM of 11/8/2012 MIRU Pro-Petro air rig. Will drill surface hole and cement on 11/9/12.

On 11/8/12 - MIRU Pro-Petro and air mist hammer drill a 12-1/4" hole to 516'. Ran a survey with 1/2". POOH with DP and bit. Run 12 jts.of 8-5/8" csg.as follows: guide shoe, 1jt.; insert baffle; 11 jts.to surface. Set csg.at 506'. Bottom 11 jts.were 24# ST&C top jt.32#. Cement with 360 "G" with 2% CaCl and 1/4# flowcele as follows: Pump 40 bbl.of fresh water and 40 bbl.of gel water followed by 360 sxs.of cement and drop plug and displace plug with 29-1/2 bbl.Had water returns after 68 bbl.pumped and had full returns during job. Bump the plug at 6:20PM on 11/8/12. Hole standing full. SIFN. On 11/9/12 will put on csg.head. Notified Mike Richens, Vernal BLM at 11:30AM on 11/8/12 of spud and est.cement time.

On 11/21/12 - MIRU Capstar #321 and assoc.equip.. RU. NU BOP. RU BOP tester. Test BOP. Make up hours for report to total 24 hours.

On 11/22/12 - modify rot.head bolt pattern and re-install to fit flowline. load and tally BHA. PU bit and mud motor and test and tag cement at 445'. RU gauge adn psi test csg.to 1500#--lost 55# in 30 min.. Slip and cut 85' of drill line. dirll out cement and float equip.f.445-500'.. Drill new formation from 500' to 1393'

On 11/23/12 - Drill from 1393' to 1876'---97'/hr. RS. Drill from 1876'-3335' --79/hr..

On 11/24/12 - Drill from 3335-3528--55'/hr 16K WOB; 75 RPM 405 GPM. RS. Drill from 3528-4465 60'/hr 12K WOB; 75 RPM; 405 GPM .

On 11/25/12 - Drill from 4465-4856--41'/hr 13K WOB; 400 GPM; 70-75 RPM. RS. Drill from 4856-5098'---47'/hr; 13K WOB; 400 GPM; 70-75 RPM. Lost tot.circ.at 5098'--pull up 1 jt.and build pit vol.. Drill from 5098-5295'---30'/hr .

On 11/26/12 - Drill from 5295-5661'---52'/hr.--70-75 RPM; 610 GPM. Lost circ.at 5665'--circ.and build volume and pump sweeps. Drill from 5661-6092'--48'/hr. 17K WOB; 375 GPM; 70-75 RPM. On make a connection pumped poly swell down DP and mud logger dropped carbide lag and plugged off DP--work pipe and could not drop pressure-prep.to POOH with DP. Trip OOH with DP--hole standing OK.

CONFIDENTIAL

Print Form

BLM - Vernal Field Office - Notification Form

Operator FINLEY RESOURCES Rig Name/# CAPSTAR 321
Submitted By ARDEN SULLIVAN Phone Number 801-428-3542
Well Name/Number UTE 13-6A-4-1
Qtr/Qtr SEnw Section 13 Township 4S Range 1E
Lease Serial Number 1420H624896
API Number 43-047-52641

Spud Notice – Spud is the initial spudding of the well, not drilling out below a casing string.

Date/Time _____ AM ☐ PM ☐

Casing – Please report time casing run starts, not cementing times.

- ☐ Surface Casing
☐ Intermediate Casing
☒ Production Casing
☐ Liner
☐ Other

RECEIVED

NOV 27 2012

DIV. OF OIL, GAS & MINING

Date/Time 11/28/2012 11:00 AM ☒ PM ☐

BOPE

- ☐ Initial BOPE test at surface casing point
☐ BOPE test at intermediate casing point
☐ 30 day BOPE test
☐ Other

Date/Time _____ AM ☐ PM ☐

Remarks NOTIFICATION FOR CEMENTING CSG STRING;
11/28/2012, @ 15:00 HRS

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
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11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start: <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input checked="" type="checkbox"/> DRILLING REPORT Report Date: 12/4/2012	<div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION </div> <div style="width: 33%;"> <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER </div> <div style="width: 33%;"> <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/> </div> </div>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.		
Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY January 11, 2013		
NAME (PLEASE PRINT) April Wilkerson		PHONE NUMBER 817 231-8735
SIGNATURE N/A		TITLE Reg & Enviro Analyst
DATE 1/9/2013		

Form 3160-5
(August 2007)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS**
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.**SUBMIT IN TRIPLICATE – Other instructions on page 2.**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No.
2. Name of Operator Finley Resources, Inc		6. If Indian, Allottee or Tribe Name
3a. Address 1308 Lake Street Fort Worth TX 76102	3b. Phone No. (include area code) 817-231-8735	7. If Unit of CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1650 FNL, 2310 FWL, SEC 13-4S-1E		8. Well Name and No. UTE 13-6A-4-1
		9. API Well No. 43-047-52641
		10. Field and Pool or Exploratory Area Windy Ridge
		11. Country or Parish, State Utah

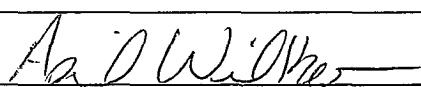
12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other <u>Weekly Report</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Finley Resources has done the following:

On 12/4/12: Tbg.head has been installed and tested by FMC. On 12/3/12 MIRU Lone Wolf WL. Ran a guage ring from surface to tag at 7418'. Ran a CBL/VDL/GR log from tag at 7417' to surface. Topp of cement est.at 1485'. RDMO Lone Wolf. RDUFA.

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) April Wilkerson	Title Regulatory Analyst
Signature 	Date 12/11/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

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1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator
Finley Resources, Inc3a. Address
1308 Lake Street
Fort Worth TX 761023b. Phone No. (include area code)
817-231-87354. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1650 FNL, 2310 FWL, SEC 13-4S-1E

5. Lease Serial No.

6. If Indian, Allottee or Tribe Name

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No.
UTE 13-6A-4-19. API Well No.
43-047-5264110. Field and Pool or Exploratory Area
Windy Ridge11. Country or Parish, State
Utah

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

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13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Finley Resources has done the following:

On 12/15/12 SICP=0#. Had previously installed and tested a 5K frac head and csg.to 4200#. Held OK. On 12/15 MIRU Cutters WL. Perforate per the CBL log dated 12/3/12 Wasatch intervals 7114-18'; 7238-48'; 7298-7304 and 7364-68' at 3 JPF using a 3-3/8" csg.gun with 22.7 gm charges with a 0.36" EH and 35.63" pen..Break down perfs with hot oiler with break at 2450# and pump 5 bbl.of water at 1/2 BPM at 2450# with ISIP=2400#. Bled off and fill frac valve with diesel. SI the well until the frac on 12/17/12. Total of 72 holes.

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)
April Wilkerson

Title Regulatory Analyst

Signature



Date 12/17/2012

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1. Type of Well

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817-231-87354. Location of Well (Footage, Sec., T., R., M., or Survey Description)
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5. Lease Serial No.

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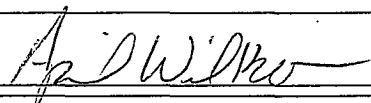
Finley Resources has done the following:

See attached.

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)
April Wilkerson

Title Regulatory Analyst

Signature



Date 12/31/2012

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(Instructions on page 2)

UTE 13-6A-4-1

On 12/17/12 - MIRU Baker Hughes frac crew, Pro-Technics and related equipment to frac 8 zones in this well. SICP=220#. Frac gross perforated Wasatch interval 7114-7368' down csg. using a 20# x-linked gel water system with 84M# of 20/40 mesh sand. Details will follow on 12/19/12 report. RIH with composite frac plug and perforating guns and stack out at 6708'. Surge plug and came free. POOH with plug and gun. Pump 20 bbl. of water down csg. at 10 BPM at max of 2100#. RIH with perforating gun to 7080' with no tag. Perforate the following Castle Peak/Ute land Buttes intervals using a 3-3/8" csg. gun at 3 JPF per the CBL log dated 12/3/12: 6837-53'; 6867-73'; 6879-83' & 6907-13'. RIH with comp. frac plug and perforating gun. Stack out at 6708' (collar). Pull plug free. POOH with plug and gun. RIH with comp. frac plug and stack out at 6708'. POOH with plug and SIFN. On 12/18/12 will finish shooting additional perfs. in the zone and RD equipment and bring in completion rig to try to clean out spot at 6708'.

On 12/18/12 - Frac information for Wasatch zone #1: Max.psi-3537#; Ave=2766#; Min.-1746#; Ave. rate=54.4; Max.-58.8; ISIP=2210#; 5 min=2030#; FG=.744; Total load=650 bbl.. On 12/18/12 SICP=1600#. RU Cutters WL and perforate the remaining Casle Pead/Ute land Buttes intervals at 3 JPF: 6929-33'; 6941-43'; 6971-74' & 7031-33'. RDMO Cutters WL. Open the well up the csg. at noon on 12/18/12 on a 20/64" choke. Flow the csg. on various chokes overnight and at 6:00AM on 12/19/12 FCP=0# on full open 2" line with a hourly rate of 10 bbl. per hour of 100% water and a total recovery of 645 bbl. LLR=175 bbl.(csg. vol.) No show of oil. On PM of 12/18/12 MIRU Monument WS. Left well flowing overnight.

On 12/19/12 - MIRU Monument WS to attempt to ream out collar at 6708'. Well was flowing to the flow back tank during the day and in 12 hours recovered an additional 36 bbl. of water with a final oil cut of 2-3% with no FCP on a full 2" line and approx. 170 bbl. LLR. NU single pipe BOP on top of frac head and stripping head. Tally and rabbit in the hole with a string mill and x-over and 92 jts. of tbg. to 3000'. Pull tbg. tail to 2670' and SIFN. Had to change out a hydraulic hose and work on elevators. On 12/20/12 will attempt to clean out tight spot.

On 12/20/12 - SITP=300# and SICP=400#. Bled off with no fluid recovery. Slight gas. Continue to tally and rabbit in the hole with string mill (4.750" OD) and 2-7/8" tbg. Tag at 6708'. Rotate with tbg. tongs and make 6" in 20 minutes and torqueing up. RU power swivel. Drill 10' with string mill with no visible recovery and trace of oil in returns. Pull mill to 6695' and SIFN. On 12/21/12 will continue to try to clean out csg..

On 12/21/12 - SITP and SICP=200#. Bled off gas quickly. PU power swivel and 1 jt. of tbg.. RU pump and lines. Mill 15' of csg. with 4-3/4" string mill at 10 min. per foot. Trace of oil in returns and no shavings. POOH with mill and tbg.. Mill worn in max. OD of mill. MIRU Cutters WL. RIH with 4-1/2" gauge ring and stack out at 6750' (collar). POOH with gauge ring and had some nicks on bottom. RD Cutters WL. RIH with kill string with 4-3/4" sting mill to 1300' and SIFN. On 12/22/12 will POOH string mill and RIH with 4-1/2" OD string mill.

On 12/22/12 - SITP and SICP=100#. Bled off immediately. POOH with 40 jts. of tbg. and 4.750" string mill. RIH with 4.50" max. OD string mill and tbg..Tag collar at 6750' and mill out 4' of collar/csg. and fell thru. Continue in the hole to 7090' with no tag. RD power swivel. POOH with mill at 6600' and SIFN. On 12/23/12 will swab well. On AM of 12/23/12 SITP and SICP=0#. Rigging up swab.

On 12/23/12 - SITP and SICP=0#. RU swab. IFL at surface. Make 7 swab runs and rec.60 bbl. of fluid with 2-5% oil cut and sand line stranded. Cut off 1600' of sand line and poured new rope socket. Make an additional 11 swab runs (18 total) and recovered an additional 67 bbl. of fluid at a rate of 20 bbl. per hour with FFL at 2300' and a 5-7% oil cut. Fluid level dropping slightly during the day. LLR is est.at 75 bbl. SIFN. On AM of 12/24/12 will cont.to swab in AM.

On 12/24/12 - SITP and SICP=100#. Bled off with no flow. RU swab. IFL at 1000'. Make 11 swab runs and recovered 80 bbl. of fluid with a 10% oil cut and no gas. Est.10 bbl. over load. FFL at 2800'. Took sample of oil and water. RD swab. POOH with tbg. and lay down 60 jts. of tbg. with string mill at 4650'. SI for the holiday. Will finish POOH with tbg. on 12/25/12 and move off rig to prep. for continuation of fracing.

On 12/26/12 - SITP & SICP=250#. Bled off with no fluid recovery. Finish POOH and laying down tbg. and 4-1/2" string mill. RDMO Monument WS and BOP. Have a 7-1/16" frac valve looking up. MIRU Cutters WL and ran a set a comp. frac plug at 7070'. Perforate the following Castle Gate intervals at 3 JPF and 120* phasing using a 3-3/8" csg. gun and 22.7 mr. charges with a 0.36" ent. hole per the CBL log dated 12/3/12: 6724-28'; 6734-38' & 6760-68' (48 holes). This zone is now combined for a frac on 12/27/12 with Castle Peak/Uteland Butte gross interval 6837-7034'. SIFN.

On 12/27/12 - resume fracing additional zones in the well. SICP=50# from open perfs. Wasatch and Castle Peak/Uteland Buttes. A frac plug is currently set at 7070' to cover the Wasatch zones. The Castle Peak/Uteland gross interval is 6726-7034' and will be listed for frac

On 12/29/12 - SITP and SICP=0#. ND frac valve and NUBOP's. Tally and rabbit in the hole with NC, 1jt., SN and tbg. (2-7/8" EUE 8rd J-55 6.5#) to tag comp. BP at 4950'. Tag plug. No fill. Pull tbg. tail to 4785'. RU swab. IFL at surface. Make 16 swab runs and recovered 135 bbl.of water with no gas and a final oil cut of 10% with FFL at 3100'. LLR=146 bbl. SIFW. On 12/31/12 will cont.to swab test.

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1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator
Finley Resources, Inc3a. Address
1308 Lake Street
Fort Worth TX 76102

3b. Phone No. (include area code)

817-231-8735

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
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43-047-5264110. Field and Pool or Exploratory Area
Windy Ridge11. Country or Parish, State
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12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☐ Notice of Intent☒ Subsequent Report☐ Final Abandonment Notice☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☐ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☐ Other Weekly Report

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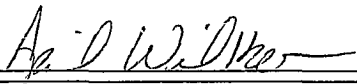
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See attached.

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April Wilkerson

Title Regulatory Analyst

Signature



Date 01/07/2013

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UTE 13-6A-4-1

On 12/31/12 SITP and SICP=100#--Bled off with no fluid recovery. RU swab. IFL at 1600'. On the 1st run rec.1 bbl. of oil on top--rest water. Make 15 swab runs and rec.78 bbl. of fluid with a 10% oil cut and no gas and FFL at 4500'. Make 1 hourly run and rec.2 bbl. of fluid with a 10% oil cut with IFL at 4500' and FFL at 4750' while pulling from the SN at 4752'. Rec. a total of 80 bbl. of fluid today. RD swab and SI the holiday. Will make a swab run on 1/2/13 and POOH with tbg. and RIH with mill and pump off bit sub to start to clean out well.

On 1/2/13 SITP and SICP=0#. Bled off immediately. RU swab. IFL at 3000'. Make 1 swab run and rec.1 BO on top and 6 bbl. of water. RD swab. POOH with tbg. and NC. RIH with 4-1/2" mill and pump off bit sub assembly. Tag comp. BP at 4930'. Prep. pump for drill out and when the water hit the pump had an instant freeze up. Thaw out pump and lines and drain up for the night. Too late to drill out. On 1/3/13 will attempt to drill out plugs.

On 1/3/13 SITP and SICP=100#. Bled off immediately. Thaw out system. RU power swivel and est. circ. with 2% KCL water. Finish RIH with 4-1/2" mill and pump off bit sub assembly and tbg..Tag comp. BP at 4950'. Circ. out est.5 bbl. of oil and water. Drill out plug and took a 250# increase in pressure and well flowing at a rate of 2-3 BPM. Continue in the hole with mill and tag frac plug at 5370' and drill up plug. Pull 10 stds. of tbg.to lower fluid level in tbg.. Left well flowing to frac tank with flow testers. Flow the well overnight on a full 2" line with 0 FCP and as 6:00AM on 1/4/13 FCP=0# on a full 2" with a trace of oil and a recovery in the last 13 hours of 865 bbl. with a current flowing rate of 35 bbl. per hour. LLR is est.at 6945 bbl.. Will continue to clean out well today.

On 1/4/13 SITP=0# with float in the string and csg. flowing at 35 bbl. of water per hour with a trace of oil on a full 2" line with FCP=0#. PU tbg. and tag frac plug at 6150' and drill out with no sand. Cont.in the hole and tag frac plug at 6500' and drill out. Cont.in the hole and tag frac plug at 6670' and drill out--no sand. Continue in the hole and tag sand at 6798' and clean out sand to PBSD of 7415'. Circ. hole clean with 2% KCL water. Pull tbg.to 7090' and left csg. flwing to tank. Flowed 60 bbl. today during clean out. Turn well over to flow testers. Cont.to flow test the well overnight and at 6:00AM on 1/5/13 Flowing at a rate of 15-20 bbl. per hour with no sand and a trace of oil have recovered an additional 275 bbl. from yesterday. Cum.rec.is 1130 bbl..LLR=6470 bbl.

On 1/5/13 FCP=0# on a full 2" line at a rate of 15 bbl. per hour of water with a trace of oil. RIH with 5 jts. of tbg. and tag at 7253' and stuck. RO power swivel and pump. Est. circ. and clean out from 7253-7385' with no recovery of any material. Circ. clean. MIRU PLS WL and Pro-Technics to run post frac tracer log. Ran log across perforated and frac'd. intervals. RDWL. POOH with 10 jts. of tbg.to 7060'. Left csg. flowing. At 6:00AM on 1/6/13 FCP=0# on a full 2" line at a rate of 5 bbl. per hour of water with a trace of oil. Have rec. a total of 1430 bbl.. Have an est. load to recover of 6170 bbl..Cont.to flow up the csg.to clean out well. Plans are to pull mill and tbg. on 1/7/13 and run production string.

On 1/7/13 FCP=0# on a full 2" line with a 5% oil cut and no gas and flowing a total of 5 bbl.per hour for the last 24 hours for a total flow back in the last 24 hours of 117 bbl. of water and 3 bbl. of oil. On 1/7/13 will finish POOH with work string and run production tbg..

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: Finley Resources, Inc
Address: 1308 Lake Street
city Fort Worth
state TX zip 76102

Operator Account Number: N 3460
Phone Number: (817) 231-8735

Well 1

API Number	Well Name	QQ	Sec	Twp	Rng	County
047-52641	Ute 13-6A-4-1	SENW	13	4S	1E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
A	99999	18888	11/8/2012	2/19/2013		
Comments: <u>WSTC</u>						CONFIDENTIAL

Well 2

API Number	Well Name	QQ	Sec	Twp	Rng	County
047-52644	Ute 13-8A-4-1	SENE	13	4S	1E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
A	99999	18889	11/6/2012	2/19/2013		
Comments: <u>WSTC</u>						CONFIDENTIAL

Well 3

API Number	Well Name	QQ	Sec	Twp	Rng	County
047-52646	Ute 13-11A-4-1	NESW	13	4S	1E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
A	99999	18890	11/8/2012	2/19/2013		
Comments: <u>WSTC</u>						CONFIDENTIAL

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

April Wilkerson

Name (Please Print)

April Wilkerson

Signature

Regulatory Analyst

1/15/2013

Date

RECEIVED

FEB 04 2013

Title